

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1666

**Introduced by Assembly Member Campbell
(Coauthor: Assembly Members Chavez, Cogdill, and Jerome
Horton)**

February 21, 2003

An act to amend Sections 30142, 30168, *30181*, and 30182 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1666, as amended, Campbell. Cigarettes and tobacco products.

The Cigarette and Tobacco Products Tax Law requires distributors and wholesalers of cigarette and tobacco products to be licensed by the State Board of Equalization. The Cigarette and Tobacco Products Tax Law also requires a tax imposed by that law with respect to distributions of cigarettes to be paid by distributors through the use of stamps or meter register settings, and requires that these stamps or meter register settings be affixed to each package of cigarettes sold.

Existing law requires all distributors of cigarette and tobacco products that are required to be licensed by the State Board of Equalization to furnish a \$1,000 security deposit. Existing law requires a distributor that defers payments for stamps or meter register settings to furnish a security deposit of at least 70% percent of, but not than more twice the amount of, stamps and meter register settings for which payment is deferred.

This bill would reduce the amount of the security deposit required to be provided by a distributor that defers payments for stamps or meter

register settings to an amount that is at least 50% percent of, but not more than twice the amount of, stamps and meter register settings for which payment is deferred.

Existing law requires distributors that defer payments for stamps and meter register settings to remit the payments on or before the 25th day of the month following the month in which the payments were deferred.

This bill would require distributors that defer payments for stamps and meter register settings to elect to remit those payments either on a monthly or on a twice-monthly basis.

Existing law requires distributors of cigarettes and tobacco products to file returns for, and remit the taxes collected on, the distributions of cigarettes and tobacco products on or before the 25th day of the month following the month during which the cigarettes or tobacco products were distributed.

This bill would require distributors of cigarettes and tobacco products to elect to file those returns and remit those taxes either on a monthly basis or on a twice-monthly basis.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 30142 of the Revenue and Taxation
2 Code is amended to read:

3 30142. The board shall fix the amount of the security required
4 of any distributor and may increase or reduce the amount at any
5 time. A minimum security in the amount of one thousand dollars
6 (\$1,000) shall be furnished by every distributor required to be
7 licensed. If a distributor desires to defer payments for stamps or
8 meter register settings, as provided in Article 2 (commencing with
9 Section 30161) of Chapter 3.5, the board shall require a security
10 equal to not less than 50 percent of the amount and no more than
11 twice the amount, as fixed by the board, of the distributor's
12 purchases of stamps and meter register settings for which payment
13 may be deferred.

14 SEC. 2. Section 30168 of the Revenue and Taxation Code is
15 amended to read:

16 30168. (a) Amounts owing for stamps and meter register
17 settings purchased on the deferred-payment basis in any calendar
18 month shall be due and payable on a monthly basis, in the manner



1 elected pursuant to subdivision (b), during the month following
2 the calendar month in which the stamps and meter register settings
3 were purchased. Payment shall be made by a remittance payable
4 to the board.

5 (b) A distributor shall elect to make the payment required by
6 subdivision (a) on either a monthly or a twice-monthly basis.

7 (1) If a distributor elects to make the payment required by
8 subdivision (a) on a monthly basis, the distributor shall remit the
9 payment on or before the 25th day of the month following the
10 month in which the stamps and meter register settings were
11 purchased.

12 (2) If a distributor elects to make the payment required by
13 subdivision (a) on a twice-monthly basis, the distributor shall
14 make two remittances during the month following the month in
15 which the stamps and meter register settings were purchased. The
16 first monthly remittance shall be made on or before the 5th day of
17 the month for those purchases of stamps and meter register settings
18 that were made between the first day and the 15th day of the
19 preceding month. The second monthly remittance shall be made
20 on or before the 25th day of the month for those purchases of
21 stamps and meter register settings that were made between the 16th
22 day and last day of the preceding month.

23 SEC. 3. *Section 30181 of the Revenue and Taxation Code is*
24 *amended to read:*

25 30181. (a) When any tax imposed upon cigarettes under
26 Article 1 (commencing with Section 30101), Article 2
27 (commencing with Section 30121), and Article 3 (commencing
28 with Section 30131) of Chapter 2 is not paid through the use of
29 stamps or meter impressions, the tax shall be due and payable
30 monthly on or before the 25th day of the month following the
31 calendar month in which a distribution of cigarettes occurs, or in
32 the case of a sale of cigarettes on the facilities of a common carrier
33 for which the tax is imposed pursuant to Section 30104, the tax
34 shall be due and payable monthly on or before the 25th day of the
35 month following the calendar month in which a sale of cigarettes
36 on the facilities of the carrier occurs.

37 (b) Each distributor of tobacco products shall file a return in the
38 form as prescribed by the board, ~~which~~ *that* may include, but not
39 be limited to, electronic media for each calendar month. The return
40 shall be filed with the board ~~on or before the 25th day of the~~

~~calendar month following the close of the monthly period for which it relates, in the manner elected by the distributor pursuant to subdivision (c), together with a remittance payable to the board, of the amount of tax, if any, due under Article 2 (commencing with Section 30121) or Article 3 (commencing with Section 30131) of Chapter 2 for that period. To facilitate the administration of this part, the board may require the filing of the returns for longer than monthly periods. Returns shall be authenticated in a form or pursuant to methods as may be prescribed by the board.~~

(c) A distributor shall elect to file the return and to make the payment required by subdivision (b) on either a monthly or a twice-monthly basis.

(1) If a distributor elects a monthly basis, the distributor shall file a return and remit the payment on or before the 25th day of the month following the month in which the tobacco products were distributed.

(2) If a distributor elects a twice-monthly basis, the distributor shall file two returns and make two remittances during the month following the month in which the tobacco products were distributed. The first monthly return shall be filed and the first remittance shall be made on or before the 5th day of the month for those distributions that occurred between the first day and the 15th day of the preceding month. The second monthly return shall be filed and the second remittance made on or before the 25th day of the month for those distributions that occurred between the 16th day and last day of the preceding month. Section 30182 of the Revenue and Taxation Code is amended to read:

30182. (a) On or before the 25th day of each month, every distributor shall file a report in the form as prescribed by the board, that may include, but not be limited to, electronic media respecting his or her distributions of cigarettes and purchases of stamps and meter register units during the preceding month and any other information as the board may require to carry out this part. Reports shall be authenticated in a form or pursuant to methods as may be prescribed by the board.

(b) Every distributor shall file a return, in the manner elected by the distributor pursuant to subdivision (c), in the form as prescribed by the board, that may include, but not be limited to, electronic media, respecting his or her distributions of tobacco products and their wholesale cost during the preceding month, and

1 any other information as the board may require to carry out this
2 part. Returns shall be authenticated in a form or pursuant to
3 methods as may be prescribed by the board.

4 (c) A distributor shall elect to file the return required by
5 subdivision (b) on either a monthly or a twice-monthly basis.

6 (1) If a distributor elects to file a return on a monthly basis, the
7 distributor shall file a return on or before the 25th day of the month
8 following the month during which the tobacco products were
9 distributed.

10 (2) If a distributor elects to file a return on a twice-monthly
11 basis, the distributor shall file two returns during the month
12 following the month during which the tobacco products were
13 distributed. The first monthly return shall be filed on or before the
14 5th day of the month for those distributions of tobacco products
15 that occurred between the first day and the 15th day of the
16 preceding month. The second monthly return shall be filed on or
17 before the 25th day of the month for those distributions of tobacco
18 products that occurred between the 16th day and last day of the
19 preceding month.

